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NHTSA-01-8677-499

August 9, 2002

Administrator
400 Seventh Street, SW
Washington, DC 20590

Attn: Docket No. NHTSA 2001-8677; Notice 3

Petition for Reconsideration

The National Truck Equipment Association (NTEA) is submitting this petition for reconsideration to the final rule published by the National Highway Traffic Safety Administration in the July 10, 2002 Federal Register on "Reporting of Information and Documents About Potential Defects Retention of Records That Could Indicate Defects."

The NTEA requests that NHTSA reconsider the small volume manufacturer exclusion and increase it from 500 total vehicles to 2,500 per model with a manufacturer total of 10,000, as is currently codified in the temporary exemption provisions of 49 CFR Part 555. This change would significantly reduce the burden on small business final stage manufacturers and alterers while preserving statistically significant information for the Agency.

Small Volume Manufacturers

The NTEA agrees with NHTSA's initial determination that small manufacturers, including most multi-stage manufacturers, should operate under different reporting regulations than multi-billion dollar auto manufacturers. Small volume manufacturers, by definition, build fewer vehicles and will have fewer, if any, incidents to report. Additionally, small companies have less staff available to compile such reports.

Relatively speaking, if all the reporting requirements were identical, the smaller the company, the greater their cost. Anecdotally, we have been told by one manufacturer that marginally qualifies under the full reporting requirements that they initially plan on having to hire one full time employee to address the requirements of this rule. While one employee may not seem

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like a lot, for a relatively small business in a questionable economy, hiring one employee that can not contribute to productivity is significant.

Small Manufacturer Size

NHTSA's final rule provides regulatory relief for manufacturers of less than 500 total vehicles. The NTEA feels it is important to recognize that in this instance the total number of vehicles produced by a manufacturer may be less important than the vehicles produced per model. Generally speaking, work-related trucks produced by multi-stage vehicle manufacturers are done in limited runs, in many cases they are custom ordered. Hence, a company that produces 150 trucks per year may be building 75 or 100 different models. Statistically, there is virtually no "early warning" value to their quarterly reports, even if there happens to be anything to report. Similarly, the data provided by a company that produces 500 total vehicles, when that total represents a number of different models or configurations, is far less statistically significant than that from a company producing 500 identical vehicles.

The NTEA suggests that NHTSA consider both manufacturer and model totals. In its own regulations as it pertains to temporary exemptions from safety standards (49 CFR Part 555) both numbers are considered. This section limits the exemption to manufacturers of no more than 10,000 vehicle per year in total and no more than 2,500 vehicles for the actual exemption. In the case of this reporting requirement, the reduced reporting requirements could be limited to manufacturers of no more than 10,000 vehicles per year and 2,500 vehicles per model. This would reduce the burden on both NHTSA and the small business manufacturer while still allowing for any statistically valid data to be reported.

While the NTEA feels that the 10,000 vehicle total and 2,500 vehicle per model limit makes sense, if NHTSA disagrees, we would request that the agency at least consider an exclusion for manufacturers of no more than 2,500 vehicles per year.

Truck Body and Equipment Industry Totals

Although most NTEA member companies fall within the current exception for less than 500 vehicles, a significant number of these companies will not so qualify. While these companies may produce over 500 vehicles in total, many of them still fall within the Small Business Administrations definition of a small business for this industry.

The NTEA estimates that there may be as many as 250 final stage manufacturers or alterers producing a total of 500 or more vehicles per year. Of those 250 companies, the NTEA estimates that approximately 100 produce

between 500 and 1,000 vehicles per year. Approximately 75 companies produce between 1001 and 2,000 vehicles with perhaps 50 companies producing between 2001 and 2,500. The NTEA estimates that 25 final stage manufacturers or alterers produce over 2,500 vehicles per year in the commercial or vocational truck body and equipment industry.

Data Storage and Delivery

In its Regulatory Flexibility Act statement, NHTSA says, "...Even though some small businesses would be reporting on more categories of information and at more frequent intervals, the total number of reportable communications would probably be low enough that the company would be able to use its existing computers with commercially available software to prepare its reports, without having to invest in a new computer system." (67 Fed. Reg. 45870).

With regard to data submission by small businesses, NHTSA states, "For small manufacturers, which only need to submit minimal amounts of data, we are establishing an interactive form reachable through a link on our web site that may be filled out by manual data entry by the submitter. This method will require completing a form for each incident, with fields for each of the required data elements. A manufacturer ID and a secure password will be needed for these reports as well, to prevent the data from being corrupted.

"Paper documents, computer printouts, or similar non-electronic submissions of this data will not be acceptable." (67 Fed Reg 45865).

The NTEA disagrees that all small businesses subject to this regulation's requirements will currently be capable of preparing and transmitting these reports to NHTSA without investing in new equipment. Software and database reports will take considerable amounts of money and time to develop for some of these companies. These smaller manufacturers do not necessarily have the hardware or software to store and submit the information electronically.

A recent survey by the NTEA found that approximately 30% of the member companies did not have a company web site and 20% did not have an e-mail address. This indicates a not insignificant number of companies likely do not have internet access at this time.

The NTEA

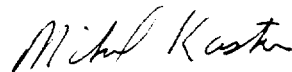
The National Truck Equipment Association (NTEA) is the nation's only trade association representing distributors and manufacturers of multi-stage produced, work related trucks, truck bodies and equipment. The NTEA also represents various industry-related firms and organizations. The NTEA currently has over 1,500 member companies located throughout the nation. Most NTEA members are small businesses that sell on a local or regional basis.

The average NTEA member is a typical small business, a closely held corporation or independent proprietorship, run by community based management, operating a single facility and employing a small local work force. The average distributor member of the NTEA, the companies that sell and install truck bodies and related equipment (and generally are considered final stage manufacturers, intermediate stage manufacturers or alterers under NHTSA definitions), have been in business some 30 years, have annual sales of less than \$5 million and employ 20 people. The average NTEA manufacturer member, companies that fabricate and occasionally install truck bodies and related equipment, have been in business over 36 years, have \$20 million in annual sales and employ approximately 300 people. Virtually all NTEA distributor and manufacturer members qualify as small businesses for purposes of the Regulatory Flexibility Act.

Vehicles produced by NTEA member companies for commercial or vocational use include, but are not limited to, fire trucks, ambulances, utility company vehicles, aerial bucket trucks, tow trucks, beverage delivery trucks, digger derricks, dump trucks, contractor vehicles and snow removal vehicles.

Thank you for your consideration of this petition. If we can provide any additional information or clarification, please contact me at (202) 557-3500.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael Kastner".

Michael E. Kastner
Director of Government Relations
NTEA Washington, DC Office